

**MINUTES**  
**Board of Forestry Meeting**  
**Monday-Wednesday, August 23-25, 2010**  
**Fairbanks and Tok, Alaska**

**Monday, August 23, Fairbanks**

**Call to Order and Roll Call.** Chairman Maisch called the meeting to order at 8:10 a.m. Anchorage and Fairbanks teleconference rooms were connected. All board members were present: Rob Bosworth, Jeff Foley, Erin McLarnon, Matt Cronin, Wayne Nicolls, Mark Vinsel, Ron Wolfe, and Eric Nichols. The Board positions for the Native Corporation, Forest Industry Trade Association, and Non-governmental Fish or Wildlife Biologist seats expired at the end of June. Maisch announced that all three current members – Ron Wolfe, Eric Nichols, and Matt Cronin were reappointed.

**Public Meeting Notice.** The meeting was noticed by issuing public service announcements and press releases, mailing announcements to interested parties, and posting a notice on the state and Department of Natural Resources (DNR) websites. (*See handout*)

**Approval of agenda.** (*See handout*) The agenda was unanimously approved with no changes. Wolfe asked for update on state land selections in southeast Alaska.

**Approval of Minutes.** The Board reviewed and unanimously approved the March 17-18, 2010 minutes with the following minor changes. (*See handout*). Wolfe asked whether ADF&G identifies high value resident streams on the ground. Moselle, said that is done in trip reports, not in the catalog of anadromous waters. The minutes will be amended to clarify the location of high value resident streams. Vinsel identified several typos.

Wolfe requested that DOF (Clarence Clark) send the information on old growth and young growth on state land referenced on p. 21 to the Board.

**Announcements.**

- McLarnon announced that she is now the part-time Executive Director for Alaska Trails, a non-profit organization that does education, advocacy, and trail-building.
- Freeman announced that the Society of American Foresters (SAF) will credit 5.5 hours of continuing forester education for the Board field trip to Tok. If you are interested in receiving credit, please see Freeman to sign up on the required forms. Thanks to Rick Rogers for pursuing this with SAF.
- Rick Rogers, DOF Forest Resources Program Manager, announced that the handouts include a copy of the August 17, 2010 US 9<sup>th</sup> Circuit Court of Appeals decision in NEDC v. Brown. The circuit court concluded that “stormwater runoff from logging roads that is collected by and then discharged from a system of ditches, culverts, and channels is a point source discharge for which an NPDES<sup>1</sup> permit is required.” Under this decision there would be major changes to the silvicultural exemption that has applied to forestry operations for decades. Rogers handed out an analysis of the decision from Perkins-Coie law firm (*see handout*). Many questions remain, including whether the decision will stick, and what will be done in the interim for NPDES permit requirements. Traditionally, point sources have been for facilities like an industrial plant. DOF will track the case. The decision could affect forest management on state and private land, and efforts to restart activities on Tongass. Also, the State has just assumed primacy, so it will be under the Alaska Pollution Discharge Elimination System (APDES) program.

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<sup>1</sup> NPDES = National Pollution Discharge Elimination System

Kevin Hanley, DEC, noted that if the decision stands, DEC would have primacy on logging roads, and DOF on everything else for forest operations. DEC is currently revising the construction general permit, which includes road construction. It is a much more onerous document than FRPA. The solution could be incorporating existing regulations into a general permit, something in between, or adding forestry to the existing construction permit.

Wolfe noted that operators didn't use to have NPDES permit requirements for log transfer facilities, and now they do. The decision has potential for significant consequences. The Sealaska attorney is also looking at it. The Board may need to address it depending on what happens in the legal process. Maisch agreed that there are many unknowns, and that it will likely be appealed to the Supreme Court.

Cronin asked about the precedent for sediment being considered pollution, and whether this decision is specific to forest roads. Sonafrank replied that sediment has been in the water quality standards since the 1970s. It's the increase in sediment and turbidity that harms fish. Department of Transportation and other road construction already falls under this process and requires NPDES permits.

Nichols asked whether the decision affects the wetlands exemption for Army Corps permitting as well. Maisch said that we don't know, and pointed out that right now this decision just applies to states in the 9<sup>th</sup> Circuit. Hanley added that the Army Corps 404 permit exemption is tighter -- it has required standard practices. If an operator complies with the requirements, they don't need a separate permit. The EPA 402 permit is much broader. Wolfe commented that this is a legal issue and will need guidance from lawyers. The process with the 9<sup>th</sup> Circuit may have more action within the circuit before it can go to the Supreme Court. He asked that the Attorney General look at it to see whether there are other legal avenues that may be open. Rogers said that DOF has already sent it to Kevin Saxby. He added that it is ironic that the decision says that forest roads are point sources because of ditchlines, cross-drains, and culverts, since those are the best management practices (BMPs) applied to build a good forest road. If you didn't apply them, the road wouldn't be considered a point-source and the decision wouldn't apply.

Nichols asked whether the appellants are asking for injunction. Rogers didn't know what remedy they're asking for in this case. Hanley commented that EPA said they'd be overwhelmed if an individual permit was required. The Court concluded by saying that although EPA says it would be overwhelmed, they could deal with it through something like a general permit. Sonafrank said that is how other roads are handled under these requirements.

- Wolfe reported that Wes & Sue Tyler's Icy Straits mill suffered a fire in the primary breakdown portion of their mill, mostly in the headrig building. The rest is intact. Tyler plans to rebuild. Insurance will pay off notes held by investors and pay for cleanup, but he needs to raise new capital to get back in business (\$100,000). He is looking at a smaller capacity headrig that is adequate to handle his production. Maisch is chairing an ad hoc committee of state, federal, and non-governmental organizations (NGOs) to form ideas to come up with the needed capital. Several NGOs are considering a grass-roots fundraiser to help. They are trying to pitch the local wood products aspect. Tyler's main market is in Juneau, and he wants to grow that aspect of the business. He has about three months of inventory to work through, so he's still working. He usually shuts down in the winter. Few mills of any size are still operating in southeast Alaska.

## Old Business I

**Tongass Land Management Plan (TLMP) implementation update.** Charley Streuli, USFS Fire, Ecology, and Forest Management Staff Officer for the Tongass National Forest, spoke on behalf of Forrest Cole, the Tongass National Forest Supervisor. The Tongass has about 83.5 MMBF under contract, including about 20 MMBF with Viking Lumber. USFS is drafting a new Five-year Timber Sale/Vegetation Management Plan. The plan covers traditional timber sales, restoration projects, young-growth sales in timber Land Use Designations, thinning for wildlife, and precommercial thinning. It serves as a marketing tool to show what the USFS is doing and to coordinate various types of vegetation management internally. The Tongass is moving more toward stewardship type sales in larger contracts.

Important projects on the schedule include Central Kupreanof and Staney Creek. The Staney Creek collaborative project includes old-growth harvest, thinning in second-growth, riparian management, and access management. The USFS is working with state and others to avoid litigation. The schedule also includes traditional sales such as

- Tonka (Kupreanof Island) – the USFS has looked at this with Kyle Moselle from ADF&G and Clarence Clark from DOF. The Draft Environmental Impact Statement is planned for November 2010, and will cover 60 MMBF.
- Big Thorne Project (Thorne Bay) – field inventory occurred in summer 2010, and the USFS is contracting out NEPA document preparation.
- Wrangell Island 10-year sale – this proposal is under contract for NEPA analysis and field inventory.

The Tongass National Forest plans to offer 51 MMBF this year, and the estimated harvest is about 37 MMBF.

It is very valuable to work with the state, e.g., coordinating timber sales like Zarembo. Alcan purchased the Skipping Cow sale, and adding state sales in the same area adds value. At Indian Creek the state put up a sale and the USFS provided the bridge to access the sale. Joint work is better coordinated now than in the past. Clark worked on the Diesel sale from the Logjam EIS. Diesel sold for \$1.8 million, and Clark helped make that sale economic. He also worked on the Slate sale from the Logjam EIS. The Slake sale is 2/3 helicopter yarding, 1/3 cable yarding. The USFS will offer it this fall. Clark and Moselle are also on the Gate 3 Committee, and Moselle is working with the USFS on fish timing windows. The agencies are heading to site-specific windows rather than general or “blanket” timing windows. Moselle also participated in stream classification training.

Maisch explained that the State is a cooperating agency with the USFS. Moselle and Clark are state employees dedicated to implementation of the Tongass Land Management Plan (TLMP), which includes the timber sale program and conservation strategy. The State is speaking with one voice to the USFS. The State Tongass team meets monthly and includes the state departments of Transportation, Environmental Conservation, Natural Resources, Fish and Game, the Alaska Energy Authority, and others as needed to ensure we have a coordinated effort on the Tongass. Ed Fogels coordinates the state team. The team comments on selected NEPA documents – they get a pre-scoping copy, and comment at all subsequent stages. The program is evolving as the federal administration changes. The State met recently with Harris Sherman, USDA undersecretary for the USFS, and works with the deputy undersecretary, Jay Jensen.

Vinsel asked about stream crossings and timing windows – there was alarm in the commercial fishing community about restoration efforts effects on pink salmon streams. The Harris River project got a bad reputation for the USFS. Pinks are not showing up this year, and that fleet is hurting. It's important to protect all pinks. Please keep the Petersburg Vessel Owners Association apprised of restoration efforts.

Streuli noted that he lives in Petersburg and is aware that the Tongass produces about 70% of all the anadromous fish in the nation. For timing windows some things didn't make sense on the ground – rigid guidelines increased costs greatly without adding protection for fish. You won't see an impact on fish production from the changes in timing windows. Vinsel said he respected the fact that fish may or may not be present at a particular time, but stressed the need to keep fishermen apprised to avoid problems. The Harris River project was OK, but a lot of time was expended due to lack of advanced communications.

Moselle added that they are not stretching general timing windows, but are using other tools in the toolbox. For the Harris River they developed a site-specific window to avoid impacts to steelhead rather than focusing on pinks. The work ran a week into the pink return as a tradeoff. He recognized that there wasn't clear communication within ADF&G with the Commercial Fisheries Division, and that caused problems. ADF&G has learned from that.

Cronin asked whether NEPA documents are the best place to look for information. Streuli replied that the newer NEPA documents have more of the updated information and references. NEPA documents cover a specific project area and are good for that area; for general information, contact biologists at the district or Supervisor's offices.

Bosworth asked whether the five-year schedule is public. Streuli said yes, but the USFS is in the process of updating it. They plan to sign it by October 1 for the new federal fiscal year. The five-year plan is generated from the districts up, and compiled at the Forest level. It will be on the Tongass National Forest webpage and available for printing. The plan is improving coordination by having all the actions in one plan, and all looking out five years. Coordination increases efficiency.

Nichols observed that Steve Seley is dismantling his mill, and Southeast Alaska will be down to one mill. Is the USFS concerned about the industry and will you do anything about it? Streuli said they are absolutely concerned about industry. The USFS has done a good job of producing NEPA documents, but litigation has impeded the timber sale program. Young growth trees are generally small and not ready for a large-diameter mill. They might be ready for a small-diameter mill, but that would take a lot of investment. We need to look at old growth and young growth together. Traditional sales will continue to be there, but other sales are already happening. The USFS has looked at a transition to young growth for a long time. They did a young-growth volume study in Ketchikan, conducted strength testing, established Alaska grades, and did a Prince of Wales Island thinning study. We need to incorporate young growth into old-growth sales. We won't have any industry left if we just go to old growth.

Nichols said that his company put about \$300,000 in a feller-buncher and more in a delimber. You can't run second-growth efficiently unless there is sufficient volume to process. There has to be enough to justify expenditures. Streuli said the USFS looked at Dall Island where Sealaska is harvesting 70-year old young growth profitably at Grace Harbor. They put a processor and log loader in the woods. Columbia is flying 3-6 logs/turn, with 50 second to 1 minute turns. We could do it on USFS land, too. If you open up the forest canopy, you get sunlight and vegetation which is also good for deer. The Tongass Forest is working on that in the beach fringes. Tongass is also mapping second-growth, and developed model with the Forest Biometrics Research Institute for young growth sale design. There are some young-growth sales on the five-year plan. The USFS knows that Alcan bought new equipment and wants to see it used. The Tongass National Forest is very interested in having a timber industry in southeast Alaska.

Nichols quoted, "there comes a time in every project when you must shoot the engineer and begin", and commented that the USFS is beyond that point.

Cronin asked what the primary impetus is for transition to second-growth harvesting. Streuli said it is primarily litigation on old-growth sales, but that the Tongass was already moving that way for awhile. Cronin said that silviculturally the USFS could continue to manage old-growth stands, but the main issues were with fish and wildlife. Streuli noted that there are also roadless area issues.

Wolfe stated that he is very concerned with the low volume available on the five-year plan. There isn't enough timber on the plan to support industry investment in the first decade. What level are you anticipating? Streuli said the USFS is not planning on running Viking on 100% young-growth – the plan is to phase it in. Offering 8-10 MMBF/year of young-growth is doable in the short term, and the volume will climb. Wolfe asked whether that mixture is consistent with policy direction. Streuli affirmed that it is – he hasn't heard anything different. He estimated that the total Tongass offering for federal fiscal year (FFY) 10 is 51MMBF, with a harvest of 37MMBF by Sept. 30, 2010. A similar amount is anticipated for 2011. The current TLMP ceiling is 267 MMBF. Of this, 100MM is within the Phase 1 area, primarily in roaded areas to avoid litigation that would tie up sales. Maisch added that the state is looking at sales up to 12 MMBF to help fill the gaps. Much depends on the roadless policy exemption for Alaska. Wolfe stated that TLMP appears to be implementation of a roadless policy by fiat. Maisch said you could say that. He noted that the USFS approved five projects nationwide in roadless areas – it is hard to get projects approved in roadless. Part of the state's role is to push aggressively on these issues with the USFS at the regional and national level.

Wolfe commented that the Board spent considerable time on how to address Tongass concerns in its March 2010 report to the Governor. The Board must be mindful of the state's role, but ask that you forward the Board's 7-page letter to the Governor, USDA Deputy Undersecretary Jensen, and Undersecretary Sherman as well, and explain the purpose of the Board in a transmittal letter. Note that because of the grave concerns, the Board has spent more time on Tongass issues than at any other time in its history, even though this is not in line with the Board's main mission. Wolfe said he would be glad to help explain this request to the Governor. Maisch replied that the Governor is very engaged on Tongass issues. He has sent two letters to the Undersecretary, and is preparing two more, particularly due to the impacts on communities. Maisch said that he also will share the last two Governor's letters to the Undersecretary with the Board.

Wolfe asked how much of the planned 2010-11 sales are young-growth. Streuli said there are none in 2010, and maybe a couple of million feet in 2011. Maisch noted that the focus has been on getting out the volume needed for industry.

Cronin said that he would like to discuss expanding the purview of the Board to address Tongass and other pertinent issues.

**Tongass Futures Roundtable (TFR) updates.** Maisch reported that TFR met last spring in Kake, and the next meeting is in Ketchikan September 29-30. There's not a lot of activity except a young-growth committee field trip to the Pacific Northwest to see young-growth management. TFR is somewhat high-centered. It hasn't been able to move a particular agenda forward in either direction. Maisch doesn't know how viable it will be. The Roundtable is continuing to work on other sectors, e.g., mariculture potential. It could reformulate into a smaller organization. TFR currently has 35 primary members, and operates by consensus. A recent straw poll on support for TLMP implementation had a handful that couldn't support it. Agreements on Tongass have been elusive, but the effort has spurred a lot of behind-the-scenes work.

Wolfe agreed that consensus agreements are difficult. In developing FRPA there were many struggles, but we did it. The TFR process has more people, more diverse interests, and more diverse reasons for participating.

**Sealaska land entitlement legislation.** Wolfe passed out info packets to Board on the current status of legislation (*see handout*). Senator Murkowski held meetings on it last spring, and now has a substitute bill that represents movement by local communities. There is a significant conservation component and economic development land base. The Senator heard concerns from the Alaska Outdoor Council and removed the offending sections from the legislation. The Outdoor Council feared the bill would create “Indian Country”, which would change relations with the federal government. Sealaska may try to reinstate these sections. Contact Wolfe for questions.

Maisch reported that the USFS timber sale schedule avoids parcels in the Sealaska entitlement legislation and Mental Health Trust exchange proposal to avoid hold-ups on proposed timber sales.

Wolfe reported that a bill was introduced in the House and Senate, hearings were held in both houses, and Sealaska hopes the bill will go to markup in late September and proceed from there. The federal administration is skeptical that Sealaska is facing shutdown procedures without this legislation, but that is the case. Alcan has been supportive. Wolfe is hopeful of success in this Congress. He has worked on this for 12 years. If it carries over to the next Congress, Sealaska will have to reassess.

**Mental Health Trust land exchange legislation.** Paul Slenkamp, Alaska Mental Health Trust (AMHT) reported that the Trust continues to move forward with its land exchange proposal. The Trust worked with the USFS and State to allow the current Prince of Wales Island manufacturing level to be continued. The proposal would provide a base for companies to amortize a move into second-growth harvesting and provide economically feasible products within Alaska. Sealaska and Alcan focus on exports currently. The Trust wants to develop an integrated industry on Prince of Wales Island. They are looking for an opportunity to introduce the legislation, and are prepared to wait until after the election.

Slenkamp also said that the Trust is working on a 6 MMBF South Tolstoi sale. The Trust is charged with providing revenue for its beneficiaries. AMHT is also working with DOF on a small-sale program in Haines administered by the Division on Trust land. The Trust also offers small sales in the Southern Southeast Area.

Nichols observed that the revenue stream from the Trust’s timber sale at Leask Lake ends next year. It has provided about \$6 million to the Trust. Slenkamp agreed that Leask Lake has been a very good revenue stream for the Trust. AMHT is analyzing parcels and trying to diversify income stream sources, but timber has traditionally been a major source and the Trust is looking at how to move forward.

Nichols said that on Vancouver Island about 300 MMBF/year of second-growth is coming on that will be coming to market. There will be a lot of competition for second-growth markets. AMHT has agreed to some restriction under the proposed trade – is that continuing? Slenkamp said the Trust is analyzing those provisions; the percentages of export allowed could change to allow more open market sales. The Trust still needs to determine how to make money by timber manufacturing in southeast both politically and for the benefits to the area. Nichols commented that the Trust may still not understand the timber industry, and he is meeting with Noah next week.

Wolfe asked about AMHT holdings in Haines. Slenkamp explained that the Trust owns about 600 acres of scattered parcels along the road system.

Vinsel asked whether the AMHT is the only funding mechanism for mental health needs in Alaska. Slenkamp said that it’s balanced -- there is also revenue from state Health and Social Services that funds services. The Trust Authority was established in 1957. There is also a permanent fund for mental health

within the Alaska Permanent Fund -- 85% of timber receipts from Trust land goes to the Trust Permanent Fund; along with some funds from other investments.

**Invasive species.** Tricia Wurtz from the USFS State & Private Forestry Forest Health Protection program provided an overview of invasive species issues in Alaska. She began by describing some exotic organisms causing problems in the Lower 48.

- The Asian Longhorned Beetle kills several hardwood species in the eastern US. It is - introduced from China in wood packing material, and now there are several outbreaks ranging from New Jersey to Chicago. It is extremely destructive in urban environments, killing maple, horse chestnut, poplar, elm, ash, birch, willow. An outbreak in Worcester, MA puts the maples of New England at risk. Quarantine, cutting, and burning of trees from infested sites in Worcester have failed to stop the spread. The pest has no known predators in the US.
- Laurel wilt fungus was first found in the US in 2002, and spread rapidly. It is carried by an ambrosia beetle. One beetle with fungus can kill a tree in months. It also affects avocado trees, a major industry.
- Kudzu was introduced in the southeast US 150 years ago as ornamental and crop plant. Populations now extend as far as - Ontario and Massachusetts. Isolated populations have been found in Oregon and Washington State. The plant can completely take over infested sites.

There are many ways for invasive species to enter Alaska – the state is “pinged” constantly by non-native species. Alaska’s only land border is international, so Customs and Border Protection (CBP) personnel are involved with preventing the entry of invasive species into Alaska. Over the past several years, two vehicles towing boats with zebra mussels attached have been turned back at the Alcan border. Firewood is inspected. There are Customs and Border Protection agricultural inspectors at six Alaska ports.

Anchorage is the 4<sup>th</sup> largest air cargo port in US. Incoming foreign flights are cleared by Customs and Border Protection in Anchorage if their final destinations are within the US. Anchorage receives 500 UPS or Fed-Ex flights/month carrying 50,000 foreign-originating packages. In addition, Anchorage receives 70 to 80 cargo flights from other carriers each day. CBP inspectors are finding live insects, seeds, and plants.

The Alaska Marine Highway carries RVs with firewood, and if the RVs make no stops in Canada, they are not inspected. Cargo ships from Lower 48 ports are not inspected. In 2008, CBP inspectors found an Asian gypsy moth egg mass on a Japanese ship that was arriving in Leask Cove to load logs. The ship was fumigated and flagged for reinspections on its return. Asian gypsy moth is a major risk for defoliation.

Introduction and spread of invasive species in Alaska can be accidental, intentional, or by animal-mediated dispersal. For example, Scotch broom was introduced as an ornamental plant and dune-stabilizer. In the Lower 48, it interferes with forest regeneration, and costs \$47million/year to control in Oregon alone. It is now found in Alaska in Ketchikan, and is spreading into surrounding areas – 29 populations have been identified. We don’t know whether it will cause harm in Alaska forests, but it would be easier to stop now than after it becomes more widespread.

Canada thistle can reduce agricultural crop yields to zero; it aggressively spreads below ground, and is hard to kill. It has been found on construction sites in Anchorage, probably brought in in fill material or as seeds stuck to heavy equipment. Populations have also been found on Prince of Wales Island, Kodiak, and several remote sites. It also arrives as a contaminant in the soil of ornamental plants. A USDA Agricultural Research Service study bought containerized plants for sale around Alaska and put the soil in a greenhouse to see what would grow. They found 54 non-native species, including Canada thistle. The

Alaska Division of Agriculture has worked with some big-box stores and required that they destroy or send back entire shipments of ornamental plants that were infested with Canada thistle -- they decided to destroy them. In Alaska, 10,000 ornamental plants are sold annually.

Pests that represent examples of how invasive species can be introduced to Alaska include the green alder sawfly, an insect native to Europe and north Africa. A population identified in Alaska was the first one found in the US. The sawfly has probably been here 10-15 years. It is now widespread in southcentral Alaska, and is completely defoliating some alder stands. It winters in standing or down dead wood. It probably arrived in firewood or wood cargo. Jim Kruse and Nicholas Lisuzzo are starting a study on insects brought to Alaska in firewood.

Bird vetch is an example of how an invasive species can be introduced and spread over many years before it is recognized as a problem. It was originally sown as an agricultural crop and nitrogen fixer in Rampart in 1909. It is now visible along roadsides in many areas. UAF brought it to Fairbanks and Palmer as a research crop in 1940. It takes advantage of longer growing seasons that are occurring in Alaska and stays green after most native plants have dropped their leaves in the fall. It's the most widely recognized invasive organism in the Fairbanks area. It's now moving into south-facing productive forest sites. We don't know what impact bird vetch will have in forest stands. Moose eat it occasionally, but not significant amounts.

A number of cooperative efforts target prevention or treatment of infestations.

- The Forest Health Protection Program works with DOF, the federal Animal and Plant Health Inspection Service (APHIS), and the Cooperative Extension Service on an early detection and rapid response program for exotic beetles. Traps have been established at airports, ferry terminals, and Port Alcan (on Alcan Highway). A different project targets invasive moths at 489 trapping sites across Alaska; none were found in 2009.
- The interagency Alaska Pest Risk Assessment Committee provides timely info on high-risk issues. The committee is trying to get a framework in place in case of a serious outbreak.
- USFS and DOF jointly conduct annual aerial detection surveys.
- USFS is starting studies of imported firewood.
- High-quality publications available on invasive species in Alaska (*e.g., see handouts*).
- Alaska has an online invasive species reporting and mapping tool.
- Staff members conduct workshops and training on invasive species identification and reporting.
- The Alaska Invasive Species Conference is held annually; this year it will be in Fairbanks in October.

Wurtz highlighted additional needs, including

- Preventing transport of untreated firewood into the state. NASF supports a comprehensive strategy and states can act without waiting for federal agencies.
- Training field employees to recognize high-priority non-native plants, understand the importance of reporting them, and learn how to avoid spreading them.
- Developing and adopting BMPS so that forest management or fire-fighting activities don't contribute to the introduction or spread of invasive species.

The Forest Health Protection Program staff would be glad to help the Board with invasive species issues in any way.

McLarnon asked whether the agencies have looked at straw and hay. Wurtz said that straw is a known source of invasive species. The Iditarod race sends 2500 bales of straw from outside Alaska to checkpoints all along the trail. McLarnon said they try to get certified weed-free straw, but some years it's hard to get. Weeds from straw have taken over her dog lot and her driveway. Wurtz agreed that it is hard to generate weed-free straw without intensive chemical use.



Cronin asked whether other states could prevent export of firewood from Alaska. Wurtz said she didn't know whether any states have done that yet, but they could. Maisch noted that this is a big issue with NASF, and more states are getting on board with the need to control transport of firewood as the number of insect pests and diseases are determined to be spreading that way.

An example of the State of Alaska taking action to prevent the introduction of invasive species is that the Board of Fish adopted regulations to outlaw felt soles in fishing activities because they transport invasive species. Moselle commented that ADF&G has been directed to avoid using them, but there are some safety issues, e.g., in winter streams.

Vinsel said that he initiated the felt-sole ban. Zebra mussels, whirling disease, and other problems associated with fly-fishing waters are transported by felt soles. Fly fishermen typically use felt soles. He wanted to increase ADF&G's attention to the issue. Trout Unlimited also worked with manufacturers to phase out felt soles. The Board of Fish is quite aware of invasive species problems.

Cronin commented that the examples presented look like real threats. He asked whether there is a strong focus on addressing species that are likely to be problems. The Anchorage Soil and Water Conservation District asked him to look at some species that they believed were being targeted as "invasives," even though they are useful crops. Wurtz responded that the starting point for studying invasive plants in Alaska, about ten years ago, was a list of all non-native plant species that are known to exist here. Since then, the agencies have developed a ranking and scoring system for non-native plants to identify which are real threats, and which are neutral or beneficial. Most actions are being taken against invasive target species with rankings of greater than 60 out of 100.

Maisch asked whether there are control mechanisms. Wurtz said yes, but observed that Alaskans are very averse to use of pesticides in many areas. One example of pesticide use was on a Canada thistle infestation found in Delta Junction in the mid-1980s. Farmers worked with the Salcha-Delta Soil and Water Conservation District to spray it aggressively for 10-12 years and successfully eradicated it.

**Timber and biomass inventory process and status.** Doug Hanson, DOF Statewide Inventory Forester, reported on current and recent projects.

The Tanana Valley State Forest (TVSF) inventory update draft report is completed. Field work is done on 887,000 acres, and a total of volume of 1,655 MMCF calculated. Maps are available online, along with sample stands and ground plots. Updates to the previous inventory include changes due to fire, better imagery, and calculations of growth rates by strata. Growth rates are slower in the Tok area due to its higher elevation. Some commercially valuable stands near Tok grow <20cf/ac/yr. DOF also recalculated the annual allowable cut, which doesn't yet include reproduction stands. The allowable cut is near 9,000 ac/year. In comparison, 7500 acres of pole and sawtimber burned this year in the TVSF, and the state is currently harvesting about 1000 acres per year. DOF is now working on classification of black spruce and reproduction stands.

The DOF website is available to the public. This new online system is very powerful – users can query individual stands across the TVSF. Data layers show forestry, fire, and infrastructure data. For example, the Superior Pellet Mill has contacted DOF about supply options – they'll need about 1/3 of their supply from state land. They are very cost-conscious, so they are looking for supply near road system. The pellet mill is targeting birch and aspen, not white spruce, which is the main sawtimber species. The company is interested in additional sales within about 60 miles of the North Pole facility. Hanson did a demonstration that showed how the site could be used to quickly analyze supply for areas of interest and export data to spreadsheets. This is a good tool for businesses looking for development opportunities.

Potential clients can also look at the actual cruise volume for the sampled stands, and review GPS-located data on individual trees that were measured.

DOF completed the first inventory in the Glennallen area, including an analysis of biomass. The inventory was funded in part by the Alaska Energy Authority (AEA) and the DNR Division of Geological and Geophysical Surveys (DGGS) to test a protocol using eCognition software to classify large areas for potential biomass supply. The Glennallen area lands are classified for forestry but not within a legislatively designated State Forest. The inventory covered over 400,000 acres of forest land with a focus on accessible lands. Major rivers limit access to many state lands. There is a mill in Kenny Lake. The study used their delivered costs, which are near \$200/cord. Costs increase significantly with increased haul distances. The study analyzed supply out to a 50-mile radius of both Glennallen and Kenny Lake. There's little supply within 10 miles.

A Tok biomass assessment is underway. It is partly funded by the USFS State and Private Forestry Program to develop data for potential biomass energy projects. It will use TVSF inventory data, a Tok Area Office wood chip study, and USFS Lidar imagery forest plots. Hanson is using eCognition automated software to delineate reproduction stands, non-forest areas, and burned areas. The report will define the economically available biomass supply. The Tok Area chip study used fixed plots in dense spruce stands, and weighed the chips from each tree. There are no current volume equations that apply to biomass supply. Available supply depends on the type of logging equipment used, how much of the tree, branch, and needle volume is used, and the trees' dimensions.

A Mat-Su forest inventory is underway on over 700,000 acres that only have general USFS volume estimates that were done in the 1970s. This is the first operational level inventory. Support includes some USFS State and Private Forestry funding for biomass inventory around the Su Valley high school near Talkeetna. DOF is coordinating with the Mat-Su Borough inventory to make sure the information is compatible. DOF is using eCognition and manual timber typing. About half of the project area fieldwork is completed. It covers a vast area, with some fairly remote land. Mat-Su Borough-owned land is generally closer to the Parks Highway than state land. The inventory is using color mosaic imagery, and the imagery is now available on the DOF website. Mat-Su timber is birch-dominated, with few pure spruce stands, and the birch is quite decadent. Decline starts at about 60 years – a younger age than in the interior. There's a lot of frost-cracking and defect, possibly due to winter freezing and thawing, but diameter growth can be quite good. Stands around 60-70 years old are quite good.

DOF is also assisting the Tanana Chiefs Conference on vegetation mapping in Fort Yukon and McGrath for local biomass projects. Proposals have been submitted to AEA for biomass energy projects in these areas. The studies are classifying land within 5-8 miles of village centers using eCognition to do automated vegetation classification. Access is more difficult than in areas on the road system. The agencies want to be sure the accessible timber supply is sufficient before committing to biomass projects. Fort Yukon stands are relatively easy to type, with extensive spruce stands, and clear boundaries between stands. The software works well with sharply delineated timber types. The McGrath area was harder to type – it is hillier and there are more mixed forest types and recent fire activity.

DOF is putting all the inventory data on the interactive internet mapping website. The public and land managers can query the data online. Many companies come up and “kick tires” for possible projects, often in rural Alaska where data is marginal. Data is important around villages to determine economic feasibility.

Maisch added that DOF is trying to tie the fledgling fuel management program in areas with Community Wildfire Protection Plans (CWPPs) to the inventory data to design efforts to reduce hazards of wildfires.

The Division is also trying to use the fuel coming off fuel treatment areas for biomass projects. DOF is working with private companies to test new harvest and chipping equipment (a “Fecon”) for usability in black spruce cover types, which are the primary fuel hazard. The makers are interested in how the machine will work in cold weather, and DOF wants to know how it works on wet ground typical of black spruce stands. Currently we pay to treat hazard fuels, and this could either reduce project costs or produce fuels.

In response to a question about DOF figuring out where to go for sustainable sources of firewood, Maisch said that the biggest problem is in the Mat-Su where there isn’t enough road-accessible wood. Hanson agreed that the big issue is access. Mike Curran, DOF Coastal Region Forester, added that the Mat-Su Borough has a moratorium on cutting on its forest land, and most state land is more remote than borough land. The size of the birch also affects the economics of the supply. Maisch said that the inventory data can apply to these questions. He also noted that road maintenance is a major issue in access – DOF has no budget for road maintenance. Maintenance is all done ad hoc along with other timber operations. DOF hopes to have a budget initiative for road maintenance in the 2011 budget.

**Coordinated work plan.** Rogers briefly reviewed the annual priorities for the three agencies for FY11. The Division’s highest priority is field presence and enforcement, Detailed Plan of Operations (DPO) review, Forest Land Use Plan (FLUP) preparation on state land, and ongoing compliance monitoring.

For ADF&G, the Habitat Division will continue to review DPOs and FLUPs, conduct field inspections, and provide enforcement support as needed. ADF&G plans to complete the fish blasting study project – Jackie Timothy is working on completing final report. Wolfe asked whether the blasting report ranks “high” because it’s near completion -- it’s not as high for FRPA work. Moselle explained that the deliverables for this project are past due, and ADF&G has an administrative need to complete them. DEC’s priorities are DPO, FLUP, and federal sale reviews, field inspections, Clean Water Act compliance, Section 319 funding pass-through, and enforcement support as needed. Continued reauthorizations under the log transfer facility general permit are also a high priority. Wolfe asked what “peer reviewed study designs to assess BMP effectiveness in protecting water quality and aquatic life” covers. Hanley explained that by default, it refers to the Sealaska project at present. Rogers noted that the long-term effectiveness monitoring project led by Sealaska was not funded by Section 319 money for FY11. DOF wants to see that project occur, and is talking with Sealaska about other funding options.

Secondary priorities include DOF operator training, road condition surveys if funding is available, completing the science and technical committee (ST&TC) process for landslides, and working on reforestation tracking for timber sales. Other ADF&G priorities include training, implementation monitoring in riparian areas and crossing structures, road condition survey, and the landslide S&TC. Hanley commented that inactive roads are a big issue, and assessing them would be a logical next step for road condition surveys once they are closed and road work is done.

Low priorities include identification and prioritization of research needs and effectiveness monitoring studies, and seeking support for high priority projects. Special projects are needed to consider invasive species issues, reforestation standards for Regions II and III, and guidelines for all-terrain vehicle use on forest roads and other road maintenance issues.

**Public comment.** None at this time.

**Adjourn Day 1:**

**Field Tour Part 1:** Superior Pellet Facility (North Pole), Dry Creek Community Forestry Enterprise

**Tuesday, August 24, Tok**

The meeting was reconvened at 8:42 a.m.

**FY11 operating and CIP budgets and FY12 FRPA budget needs.**

**DOF.** Maisch reviewed the history of FRPA funding (*see handout*). Initially, all FRPA funding was General Fund money. Since FY99, DOF has received federal funding, primarily Section 319 money, to support FRPA work. This is the last year of federal Section 319 funding for FRPA. DOF has requested additional state funds twice, but the legislature saw it as a fund switch for a federal program, rather than a return to state funding for a state program. The Division faces a serious shortfall beginning in FY12. The FY11 budget is basically the same as for FY10.

The agencies are working on draft FY12 budgets. The drafts are not yet through the administration's approval process. DOF has requested an \$800,000 increment for FRPA to offset loss of Section 319 funding, reforestation, pre-commercial thinning, road maintenance, and a small amount for BOF travel (\$10,000/year). All these items are important to FRPA and related directly to the amount of harvest activity, and are required activities. The state needs to demonstrate that we have a good Act that is well-enforced and well-monitored. DOF is lead agency with due deference to DFG for fish and wildlife concerns, and to DEC for water quality.

**ADF&G.** Kerry Howard, ADF&G Division of Habitat director reported that for FY11, the Habitat Division expects level funding for FRPA – \$141,000 of which \$85,000 is Section 319 funding, and the rest is General Fund match. Based on work trends, Howard expects this amount will be adequate. The number of DPOs, NEPA documents, and state timber sale documents has varied in recent years. Other work, including Title 16 permitting and field inspections, has been steady. The Habitat Division is concerned about FY 12 funding. The Habitat Division fully supports DOF's proposed increment and is working closely with them. ADF&G has been similarly unsuccessful in getting FRPA increments because the amount requested was small. This year, the agencies are bundling needs, and including ADF&G need for FRPA funds in DOF's request. The divisions hope to be successful. Howard hopes to get stable funding for the positions in the Habitat Division. If they do not receive funds to replace the lost Section 319 funding and provide adequate coverage for employee contracts, the Habitat Division will have a \$155,000 deficit at the beginning of FY12. ADF&G will use Coastal Impact Assistance Program funds for a number of special projects, including stream surveys and fish surveys that will benefit FRPA work. The Habitat Division also has FY 10-13 funds from the Sustainable Salmon Fund to correct inaccuracies in the Catalog of Anadromous Waters. The methods and technology to map fish habitat have improved since the early years. These projects are focused on the Juneau, Haines, and Sitka areas. Maisch noted that the DOF increment request includes \$85,000 for a reimbursable services agreement to ADF&G for their work on FRPA.

**DEC.** Nancy Sonafrank, DEC Water Quality Standards Assessment Program manager, noted that DEC had forecast a decrease in federal funding, and it has occurred this year. There was an \$848,000 drop in Clean Water Act funds, which included a big reduction in Alaska Clean Water Action grants. DEC is looking at alternative funding sources for grants, including the Sustainable Salmon Fund. DEC expects a smaller drop in funding this year, and hopes to be able to continue grants on a smaller scale. With the new responsibility for the Alaska Pollution Discharge Elimination System (APDES), DEC has used up past savings to fully staff the program. The agency has to prioritize with shorter funds. FRPA is a state law, although it qualifies under the Clean Water Act for federal funding. ACWA grants and other nonpoint source pollution activities have declined. The number of FY11 grants was down to 13

compared with 21 grants two years ago. ACWA grant funds declined from \$700,000 to \$377,000 in grant funds this year.

Vinsel noted that DEC didn't fund the Sealaska FRPA effectiveness monitoring project this year. That project is really important for the FRPA program. It's key in discussions of federal land legislation with Sealaska, regarding the differences between state and federal buffer zones.

Vinsel complimented DEC on motor restrictions on the Kenai River. The work on the Kenai has saved that river. Sonafrank noted that measures to reduce petroleum have been effective, so they removed the Kenai River from the impaired list for hydrocarbons after two years. There are still some sediment problems. What voters demand from the legislature and agencies costs money, and if we're not willing to pay for that, it won't work.

Sonafrank observed that the effectiveness monitoring project and FRPA programs are victims of their own success – the data have been good. Other water quality problems remain outside FRPA, and the state can turn them around, but it takes money.

Cronin asked whether there are other programs where the state could acquire primacy. Sonafrank answered that it depends on the authorization for each federal program; the air quality program has similar primacy provisions. The states receive no extra funding to take on primacy. Matt asked whether the procedure for primacy acquisition for other federal acts varies by agency, or whether it is a general provision. Sonafrank said that it is specific to the individual acts that establish the programs.

Cronin asked about the difference between federal and state buffer requirements. Moselle said that under FRPA there is a 66' buffer on private land, and a 100' buffer on state land. Streuli said there is a mandatory 100' on USFS land, and wider buffers under TLMP for specific waterbody classifications. Nichols added that the USFS also buffers non-anadromous streams. Streuli explained that water quality, resident fish, and anadromous streams are all buffered. Wolfe said that the FRPA system depends on stream type. There are regulations for non-anadromous streams also. It's not just a 66' buffer – field decisions routinely result in larger buffers. Rather than adopt the proscriptive Tongass Timber Reform Act standards, FRPA takes a different approach that extends decision authority to stream reviews. Larger buffers are often left as part of the on-the-ground variation process. It's too much shorthand to just compare the distances – that doesn't do the intensive field effort justice.

Maisch noted that as long as the USFS meets the state standards under FRPA, they also meet federal Coastal Zone Management Act requirements.

Nichols commented that the NEDC v. Brown case was remanded to the lower court. If the circuit court decision stands and forest roads are considered a point source for pollutants, what does that do to the DEC budget? Sonafrank replied that the stormwater permitting budget is already stretched. It would be an additional workload. There is a significant gap in staffing for the level of permitting. Nichols said that a big concern for the industry is trying to reduce the risk associated with timing requirements. If permitting adds a new uncertainty for timing, it is another risk for timber harvesting in Alaska. If everything can't stay within the FRPA 30-day window, it's a big impact. Sonafrank responded that DEC prioritizes how to use the pool of federal money that is available. The funding hasn't increased, but the workload has, especially for stormwater. That's the program where the biggest gains remain to be made, and new BMPs are being associated with stormwater permitting. Nichols asked whether there could be a General Permit under DOF to reduce costs and coordinate reviews. Sonafrank noted that there is a mining committee that includes DNR, DEC, and others that might be a model for a team effort, but DEC can't hand off the responsibility entirely.

Hanley reported that he reviewed the construction General Permit that DEC is revising. There are specific timelines for notices of intent to construct, but he is not sure what time the agency has to respond – there’s usually a specific timeline for approval or disapproval. Nichols said that in some processes there’s a 60-day timeline and at day 58 the agency asks for more information and restarts the clock. The nice thing about forestry is that we know that within 30 days we’ll be able to start working. He expects the new point-source permitting is going to happen, and if so, how do we deal with it? Maisch said the agencies don’t know yet.

Wolfe objected to DEC characterizing the effectiveness monitoring project as Sealaska’s project. It is true that Sealaska has administered it, but since day one they have had good state and federal agency cooperation through technical team reviews, shared draft reports, etc. – it’s a good example of a cooperative effort. He appreciated Vinsel’s comments that joint effectiveness monitoring is a cornerstone in ability to speak to public about the effectiveness of FRPA in achieving its mission. The requirement for effectiveness monitoring was important to the original agreements about the Act, beginning with the Green Book, and in the final Act and regulations. This is the longest single effectiveness monitoring effort, it has a statutory and regulatory basis, and to be judged not to have it measure up is important decision.

Wolfe added that when the Act was amended in 1990 and 1996, private landowners pledged a lot in timber value – they feel like they already contributed their part, and delivered. Funding FROA implementation is an obligation of the state. It’s different than large mine permitting. Sonafrank said that large mine permitting costs are paid by the mining company and it’s expensive. Wolfe said that is exactly the point – the timber industry already paid.

Cronin commented that the Board’s charge is to deal with FRPA. If the federal court decision holds, it will influence how forest practices are done and will be an impediment to current forest practices. For the next meeting or a conference call, the Board should discuss how to advise the Governor and legislature to interact on this litigation to address impacts on FRPA. Maisch agreed. It needs the Attorney General’s attention, and DOF will keep front and center with them. It would have big process issues for FRPA implementation. One-stop shopping is one of the founding concepts in the Act, along with the “3-legged stool” concept under which all three resource agencies are involved in the field, and the principle that there should be a dollar’s worth of fish protection for a dollar’s cost to the timber industry. It is hard to keep those concepts alive with funding changes.

Wolfe asked whether ADF&G the stream survey work will just correct the atlas, or is there more. Howard explained that it will be funded by a separate pot of money, related to other types of development work. She will send a copy of the project description to Wolfe and the Board.

**Operating funds and timber sale receipts.** Rogers reported that some operating costs for the Division of Forestry have been funded by timber sale receipts for about a decade. The legislature cut some of DOF’s General Fund support and moved to it to timber sale receipts. Stumpage revenues are somewhat volatile year-to-year due to markets and sales. DOF can carry the balance of the timber receipts account forward. The legislature authorizes a cap for spending from the receipts account. Over the years with increased operating costs and a decrease in other funds, DOF has relied more and more on timber receipts for core functions, including salaries for key positions. In FY10, the Division brought in approximately \$440,000 in timber receipts, and its authorization was over \$800,000. That is not a sustainable path. The Division made some adjustments, including not filling some vacant positions, and about \$300,000 in internal cuts. The FY11 authorization \$850,000, but DOF has only budgeted \$500,000 of that amount. Maisch noted that most of the resources positions that came vacant from retirement were in Northern Region, and one in the Mat-Su Area. Rogers said that it is harder to increase the receipt revenue than in the private sector. The agency can’t get a line of credit to handle the volatility of cash flow, and has

limited control on the timing of cash flow from multi-year contracts. Also, the biomass energy movement has a lot of benefits for economic development and fuel reduction, but selling timber for wood fuel doesn't generate much revenue, while all the other requirements for inspections and administration are the same as for high-value timber. Maisch said that this also connects to public policy decisions. In southeast Alaska, DOF has kept most timber in local sales rather than export, but the revenue is lower. The public policy for biomass has similar policy questions regarding public benefits and costs.

Nichols commented that unless you hold the agencies' feet to the fire, including on budget, they won't perform. If the Tongass National Forest derived part of their revenue from timber receipts it might perform differently. The private sector has to decide what to fund or not fund out of timber revenue daily. Requests for recreation, firewood, environmental benefits piggyback on timber receipts but those activities are the first to holler about timber programs. Timber one of the few things that generates hard dollars. If the true cost of a firewood permit is \$500, charge that. If the public wants a \$50 permit, it comes with fewer services. Timber is a real asset with real value. He supports keeping some of the revenue from receipts. It's too easy otherwise to just get caught up with the process rather than the results. Maisch agreed, but stated that he doesn't want to have base positions tied to the variable revenue. He also agreed on firewood costs. DOF will probably raise the costs of firewood permits but firewood is never going to generate net revenue. The Governor's Office also directs that DOF will make timber available for local firewood.

Wolfe asked whether there are opportunities for more innovations such as associating firewood areas with timber roads, and making it clear that firewood offerings are dependent on timber. Curran replied that in the Mat-Su Area, firewood is a big topic for the Coastal Region. Maisch wanted to convey that DOF is having an internal struggle on how to address issues associated with declines in timber receipts. The Division received one capital improvement project [in FY08] for increasing southeast timber sales that included some funding for FRPA work. Maisch agreed that it's appropriate to have receipts part of budget to keep agency focused on production and efficiency. If the proposed increment proceeds, the Board can discuss what action to take on that proposal.

Wolfe asked how much money for effectiveness monitoring is included in the bundled proposal. Maisch said that there is not a specific amount for effectiveness monitoring, but there is some discretion within categories on how funding is allocated. Wolfe said he'd be happy to help.

Cronin observed that if Alaska's funding comes 90% from oil revenue, and you look at the revenue projections over coming years, you can see what's happened with timber industry, and it's worth thinking about within DNR.

## **2010-11 legislation.**

HB 162 - Southeast State Forest (SESF). Maisch reported that with the assistance of the Board and others, the bill to establish a 25,000-acre state forest passed in the 2010 session. DOF has three years to complete a state forest management plan, and will start that process. Rogers and Maisch thanked the Board for help on the bill -- it could have come out differently without Board support. McLarnon's efforts were significant in helping get bill out of committee; Nicolls and Vinsel also made a big difference. Rogers also reported that the bill providing additional lands to the University was overturned by the court, and a substitute bill did not pass the legislature. Some of the lands in the university bill were forest lands in southeast Alaska. The Governor has asked DOF to review those lands for possible additions to the SESF, and DOF is now doing that.

Nichols asked whether the return of university land to DNR will change the state's allowable cut. Rogers said lands classified to allow forestry will be incorporated into the allowable cut. Nichols said that

additional timber could be put in use quickly. Maisch noted that much of the land was classified for Settlement, and that land wouldn't come back into the allowable cut. The Coastal Region is reviewing the lands. Curran observed that DNR held the most important timber lands out of the University settlement package, but there are about 15,000 acres that would be added to the base for the allowable cut, which would add about 3-4 MMBF/year. Every bit helps.

Nichols asked whether there is any chance to put some of the university settlement land into private hands. Maisch replied the disposal plan offers land sales, but it's usually through the settlement program. Nichols noted that the population base currently shrinking in southeast Alaska; there's a real need for more private land. Maisch said that land disposal is definitely one of the charges for the DNR Division of Mining, Land, and Water. Nichols said that his company bought a piece of land from the University that is now a 22-lot subdivision. There are higher and better uses in the private sector. Curran noted that land that goes into the State Forest comes out of the disposal pool. We can't sell State Forest land. Nichols said his argument is for using land that you can't use for forestry for settlement.

Bosworth asked whether there will be much action on State Forest additions between now and the next Board meeting. He is aware that the environmental community has some concerns about the university lands. Maisch said that a decision on whether or not there will be legislation to add land to the SESF this year will likely occur before the next meeting. DOF legislation is successful largely due to public process. Everything associated with the university lands bill will interest some groups that might not be otherwise involved. Nichols said that lands included in the university bill were intended to generate revenue. Maisch agreed – they were mostly to generate revenue for the university through land sales. Wolfe asked whether the candidate lands included lands for other types of commercial management. Maisch said not in southeast Alaska. Slenkamp commented that the Mental Health Trust also has a remaining entitlement, and is interested in what happens to university lands. Trust lands also generate revenue.

Maisch again thanked the Board for their help, and appreciated the broad support of southeast communities.

HB 112 -- Forester registry and BOF membership. Maisch announced that HB 112 finished the session in the House Commerce Committee without a hearing. Unless the bill is reintroduced, it will not be active in the FY11 session. It was not supported by DOF.

Nicolls commented that he still thinks registration is a good idea that has public and professional benefits. The other part of the legislation was not a good idea. Wolfe responded that Sealaska has some lands for which a professional hydrologist analyzed a logging plan for mass wasting and water predictions, etc. They had a highly qualified consultant. When they contacted him for help resurrecting the plan, they found that Occupational Licensing had changed the requirements for hydrologists, and this professional is no longer able to practice in Alaska because he's not a certified geologist. The impact of registration is not always positive. The licensing requirements for a practicing geologist require membership in a particular professional organization. Vinsel said he believes the only requirement is where there is state money involved. Cronin said the requirements might only apply if the work requires a stamp on a legal product.

**Climate change subcabinet and carbon sequestration.** Maisch reported that little additional subcabinet work has been done. The working groups finished their reports and submitted them to the subcabinet. There have been no final subcabinet actions or recommendations to date. Once the elections are sorted out, it will likely reactivate the process. DEC is the lead.



Wolfe serves on the Forestry Carbon Standards Committee (FCSC) for US and Canadian industry associations to develop standard language for carbon crediting. Whether carbon cap-and-trade legislation comes is uncertain, and it may or may not include forestry credits. Because it is moving forward, at least through regional efforts like the California and Chicago exchanges, the process is continuing. There's a July 2010 draft of the FCSC report, including a section on "improved forest management". It requires a baseline established by either the Forest Stewardship Council or Sustainable Forestry Initiative, and a provision for an alternate process. FRPA might not qualify – the Board might want to consider updates to FRPA to make it applicable. The next Public Review Draft, due out in August, will incorporate the first round of committee comments. Wolfe will distribute that version to the Board. The target is adoption in December, 2010.

Maisch announced that there is a carbon-trading workshop in Anchorage September 2, sponsored by the Exxon Valdez Oil Spill office. Maisch will find out more information for the Board.

Vinsel asked if we are seeing an increase in acidity of rain in Alaska. Sonafrank replied that she is not aware of projects looking at acid rain in Alaska right now. However, the agencies and others have discussed ocean acidification issues. DEC is looking at Section 106-funded monitoring projects, including ocean acidification. Maisch added that one climate working group was focused on oceans. All working group reports are posted on the DEC website.

Maisch said that the forestry recommendations forwarded to the subcabinet are focused on fire impacts and bioenergy. Alaska burned 16 million acres in recent years – a significant amount of acreage. The working group recommended completing a CWPP in all communities within the fire area, and those tie to specific on-the-ground fuel mitigation activities, which also connect to biomass energy. Wood is still generally considered carbon neutral in this process by most of the scientific community although there are questions, including temporal considerations. Nichols stated that most carbon sequestered as wood products has a long lifespan. Maisch noted that the science is evolving. The Southeast forest is generally considered a carbon sink; the boreal forest used to be considered a sink, but with increased fire occurrence it may be a carbon source.

Wolfe explained that questions on carbon-durable products and biomass energy are part of what make carbon credit schemes controversial. Cap-and-trade accounting is revolutionary – it's a way to generate a revenue stream for practicing good forestry. It's different than how FRPA or the Bald Eagle Protection Act works by just prohibiting harvest of private timber. Nichols said that from a forestry standpoint it could be double-edged – it could also drive up costs of harvesting.

Cronin agreed with Wolfe that it seems revolutionary because the forestry approach has been confiscatory rather than establishing incentive programs, like the agricultural Conservation Reserve Program which uses USDA payments to not grow crops to provide wildlife habitat.

**DOF Regional updates.** Curran reported on Coastal Region activities. With the Southeast State Forest bill signed, DOF will start a State Forest Management Plan. It's a new and welcome thing for the Southern Southeast Area to have management responsibility on state land.

DOF manages more than 100 miles of forest road on the Haines State Forest, with no maintenance funding. DOF has to be creative to get needed maintenance done.

Division staff members still have a FRPA workload, but the location shifts. Leisnoi is operating on Kodiak, and Afognak operations continue. There are a few small sales in Region II on the Kenai Peninsula. Southeast operations continue. Greg Staunton is doing formal and informal FRPA training for agencies and operators.

The Mat-Su Area Office is working on the Matanuska-Susitna Area Plan. Firewood is a huge issue in Mat-Su. It is not a problem on the Kenai Peninsula due to the amount of dead spruce. Firewood harvesting also provides fuel mitigation there. In the Mat-Su there is a high firewood demand, and it's a big workload to locate, design, and administer a firewood program. DOF currently charge \$10/cord, and that is insufficient to pay for the workload to set up personal use firewood harvest areas. DOF is also getting irate calls from private firewood sellers. The Division is getting cost and layout information for firewood area layout, and will increase the price/cord in the Mat-Su Area. DOF now has an online firewood permit system. The Division is running out of road-accessible firewood areas. Current personal use harvest areas conflict with commercial sales. Personal use cutters do a poor job, get stuck, tear up roads, and get locked inside gates. It's a huge time sink that doesn't generate money.

The State received \$660,000 for pre-commercial thinning in southeast Alaska under the American Recovery and Reinvestment Act (ARRA). This was perfect timing with the SESF establishment – one of goals for the State Forest is to do long-term forest management. Two thinning contracts are underway, and another is out to bid. The project will thin 1200-1500 acres with the stimulus money by the end of the year. This was a huge deal, since pre-commercial thinning is expensive and we've now been able to do this management on the new State Forest.

Coastal Region staff members are conducting field inspections for the Forest Stewardship program.

The Coastal Region sold 4.5 MMBF of timber in FY10; another 3 MMBF are ready to sell, and 6 MMBF are in preparation with FLUPs done. DOF is laying out another 5 MMBF for a total of 14 MMBF that will be ready to sell this year.

Budget takes a lot of time and energy.

McLarnon asked where people can you harvest personal use wood in the Mat-Su other than along Zero Lake road. Curran said that's the major area now. DOF is also looking at possibilities along the Willer-Kash Road. The Mat-Su Borough has a moratorium on woodcutting on borough land. McLarnon noted that the Zero Lake and Willer-Kash areas are two huge recreation areas, and there are conflicts, so please keep her informed so she can work with recreationists.

Bosworth asked about the cost/acre of pre-commercial thinning, and whether there is interest from local businesses. Curran reported costs of about \$300-325/acre depending on access. That covers the contract cost, not the administrative cost. Wolfe said that the Division of Forestry's quick response to the ARRA funding was great – they deserve kudos. When we talk about keeping the forest industry intact, that includes silvicultural work like pre-commercial thinning. Sealaska and the USFS have been doing thinning, and having the state expand thinning efforts helps keep the industry healthy. By keeping it in place you have qualified local contractors. We've done a good job of transforming the thinning industry to one with a good local base – they are almost all local companies. Curran agreed. Thinner have formed small local companies and have developed better information on costs and skills with experience. Nichols said that thinning crews are also a good recruiting tool for people to move up into other logging work.

Cronin asked whether the state's allowable cut is based on silviculture, and replacing cut timber through regeneration and growth. Curran replied that the cut level can be revised depending how much of the timber is second growth, and how much of that is managed and unmanaged, which affects rotation length. If you cut a decadent stand and manage it, the volume/acre increases, and that will affect the allowable cut. The allowable cut is managed on a decadal basis. DOF was using 12.8 MMBF/year. When the Division revised the allowable cut to reflect the new inventory and land classification changes, the

amount dropped to 8.4 MMBF/year assuming unmanaged, unthinned stands. Over time, as DOF transitions into second growth, we can recalculate and the volume will increase. The Division will set up long-term inventory plots.

Cronin asked whether there would be ways for DOF to generate more receipts if necessary. Curran said that Division has looked at it carefully. DOF doesn't want to front-end load the decadal cut, or it won't be able to offer sales in the later years. Rogers added that sustainability is required by the Constitution. Cronin commented that if products change, such as biomass for energy, sustainability will change. Rogers agreed that the allowable cut is based on assumptions, and the assumptions have to be revisited as they change. Rotation age has a big influence, and thinning changes that significantly – often by 20 years or more. Nichols stated that the costs of thinning will decrease with better mechanical methods which will help shift the rotation age. Markets will also change to accept small diameter wood.

Moselle asked whether alternative thinning prescriptions will be employed, or will thinning be systematic. Curran said that DOF is doing systematic stem cutting and removal – the State has a huge backlog for silvicultural work and a very short time period to spend ARRA funding. If the Division had additional funding, they'd like to try additional treatments. Under a past capital improvement project, DOF did a thinning project near a rifle range that included girdling alder; that site is used as a research area. Moselle observed that precommercial thinning isn't subject to DPO requirements. It hasn't been a big issue, but the program is increasing and more coordination is desirable to mitigate unnecessary impacts to wildlife. ADF&G has worked closely with the USFS. Curran agreed, and hopes to have additional opportunities in the future.

Mark Eliot, DOF Northern Region (NRO) Forester, noted that the BOF field trip will see a lot of activities in the Northern Region.

Two project fires (fires that escape initial attack and require an extended suppression response) occurred in NRO in 2010: the Eagle Fire near Tok, and the Gilles Creek Fire near Delta. Fires came in May, early in the season and the tail end of FY10. They had a big budget impact on that fiscal year. The Alaska Type 2 team covered one fire; the other was led by a team from Oregon. Steve Joslin in Delta did a good job of quickly identifying areas for salvage logging from the Gilles Creek Fire at the same time as working as Resource Advisor on the fire, working up to the last hour before his retirement.

Several retirements occurred in NRO – the Delta Area lost both its Operations Foreman (Mike Bobo) and Resource Forester (Steve Joslin). DOF has been able to fill vacant technician positions, but often with people at the Tech I level with little experience and large training needs. Gordon Worum is retiring. Worum is the NRO Cartographer who developed the centralized GIS database and laid the ground work for the timber inventory projects. Two Foresters I retired from the Fairbanks Area and another shifted to the Fire Program. Marc Lee, the Fairbanks Area Forester, is retiring after 30 years of experience in both fire and forest management.

The NRO is administering ARRA funding for local hazardous fuel reduction project using Type 2 fire crews. Some villages on the Yukon River also got funding for work around their communities. The Division is coordinating with the US Fish and Wildlife Service staff to oversee the projects.

Cronin asked who was on the Oregon Type 2 team. Eliot said that team members came from multiple agencies. Costs for the fires are paid according to land ownership – the state pays for state and other private land; the federal government pays for federal and Native land. Maisch explained that there are interagency agreements that cover cost accounting for fires. Wolfe commented that it's remarkable that DOF can get people from Oregon through the Incident Command System and know they are qualified, can go right to work, and can communicate with local staff. The fire groups have accomplished a lot in

terms of coordinated fire response and communications. Maisch noted that Alaska has one of the few Type I teams in the country, and the state Fire and Aviation Program Manager (Tom Kurth) is the incident commander for the team. It takes 15-20 years of experience to get the knowledge necessary to participate on a Type I team. When an experienced person retires, it's hard to replace them with people at the same level.

McLarnon asked whether the Division's GIS database includes trails. Eliot replied that it can include that sort of information. McLarnon said that she can help get data to DOF for inclusion. It helps with both fire and forest management. Maisch said that more trail data is needed. The State doesn't even have a good map of the TVSF road system in a form to sell to the public. McLarnon said that she might be able to help on that.

Sonafrank asked whether DOF hooks into the hydrology database. Maisch said yes.

**Wood energy update.** Devany Plentovich, Alaska Energy Authority (AEA) Program Manager for biomass and combined heat and power projects, and Ron Brown, AEA project manager and lead for power projects, summarized current wood energy projects statewide. Plentovich presented a PowerPoint of projects through Round 2 of the Renewable Energy Fund awards. Funding for biomass is averaging 5-10% of the total funding.

- Reconnaissance and feasibility – 10 projects across the state are assessing wood and biomass heat; two may include electricity. The Talkeetna School wood energy feasibility study was completed. Nichols commented that if the higher value portion of a tree can be used for another product, it can improve the feasibility of the low-end biomass. For example, there is a good market for wood from Yakutat. Biomass works well when it is largely a byproduct. Haines and Cordova are good examples of opportunities.
- Design projects include a Kenny Lake boiler, Fort Yukon central wood heat, McGrath central wood heating, Thorne Bay School wood boiler. Brown said that the Kenny Lake project might use pellets, depending on how the Superior pellet mill project develops. The design will look at solid wood, chips, and pellets. AEA is also working with Chistochina on design and construction for a newly-funded health facility and washeteria. They are looking at pellets for simplicity of operation. Cord wood would need commitment from forest owners
- Construction projects include three sites in southeast and six in the interior.
  - Tanana is expanding wood heat from its existing Garn system to add the senior center and internet café. It has been a real success. They will have seven Garn units in town by next year.
  - Haines is working with a new system that can change quickly from wood to oil.
  - In Tok, DOF has two years of wood on the ground for the school heating project. Today the facility is a reality and will replace 60,000 gallons of fuel/year. It's a fabulous success – startup is scheduled for October, with an open house in November. It is a good example of how to initiate, design, and build a project.
  - Delta Junction also coming along quickly. They just awarded the engineering and construction contract.
  - Gulkana is also a showcase project – 10 buildings are heated by two Garn wood boilers and a pellet burner tied in to use the small local pellet production facility. They are buying a bigger machine similar to the size at Dry Creek.
  - Stebbins has ordered a "Garn in a box" to be shipped by river. The fuel is driftwood on the coast. The boiler-maker made special provisions in the burn box to gather information on differences in driftwood burn due to salt. If successful, this could open up biomass to a whole new area.
  - Coffman Cove will have a single Garn for heating the school. AEA may use the same design for Thorne Bay.
  - Chena Power is a biomass to electricity project that will use pelletized waste cardboard from the landfill. It will be a learning project.

- Sealaska is converting to pellet fuel to heat its Juneau office building.
- Operational projects include Cordova wood processing equipment, Tanana boilers, and Ionia. The Craig pool heat project has worked out the bugs to dry chips,
- Developing projects include
  - Tok combined heat and power, and Galena power;
  - Heating for the Delta mine, Port Graham, Tok DOF facility (completely fuel oil with pellets), a second Ionia boiler, Hoonah schools, and Doyon region feasibility and design & construction,
  - The US Coast Guard Juneau, Kodiak, Ketchikan, and Sitka facilities are looking at pellets even though chips could be provided more quickly. The military has mandates to increase renewable energy.
  - The Craig fuel dryer may no longer be needed.

AEA is working with DOF to standardize biomass resource analyses. Supply calculations are all based on bone-dry tons. It is essential to ensure sustainability of the wood supply. The agencies need to determine how to build long term supply commitments (more than 20 years).

Cronin asked whether these public sector projects provide a template for private sector projects, e.g., for heat in private homes. That would need a commercial supply of material. Brown said that the Alaska Housing Finance Corporation covers residential energy issues. AEA focuses on bigger community projects. Maisch added that the public sector emphasis demonstrates the technology with a lower risk to private sector.

Plentovich reported that there is some federal funding from the US Departments of Agriculture and Energy, but most of these projects have been state funded. Brown explained that AEA issues and administers grants, gets reports, and makes monthly disbursements. On biomass projects, some small communities don't have the necessary expertise and have AEA manage the design and construction. AEA has term contracts with construction managers. Plentovich said that AEA also does a lot of outreach and education about renewable energy.

Nichols asked whether it's possible to engineer something like the "Garn in a box" that also does power. Plentovich replied that biomass-to-electrical generation in the Lower 48 has been for large units. There are no successful operational systems beyond a few prototypes at the small scale. There's nothing yet that we could put in place with confidence. It's the Holy Grail. Nichols commented that it would be great to replace oil in rural environments for electrical generation. Plentovich noted that is why AEA is excited about the Chena project. She hopes something will be available for rural power in a few years.

**EPA rules for boilers.** Plentovich reported on Environmental Protection Agency's (EPA) proposed rules for all boilers. The rules target mercury, particulates, and carbon monoxide (CO) on all new boilers for all fuel sources (e.g., coal, oil, and biomass). Small boilers are defined as those producing <10 BTU/hour. In Alaska we have all "area sources" of pollutants not "major sources." The rules affect existing and new industrial boilers, commercial boilers (most Alaska boilers are in this category), institutional boilers, and biomass boilers in rural Alaska. The process started following Sierra Club litigation in 1990s, and the court has now stated that the rules have to be in place by December 16, 2010.

The particulate standard for new boilers is based on "generally achievable control technology" for large boilers. It will change from 0.32 lb/MMBTU to 0.03 lb/MMBTU. No small or medium-sized boilers can currently meet this limit. The CO standard uses maximum achievable technology for big boilers. The new proposed limit is 100 ppm/day. Only larger chip boilers can meet this limit; even the Tok boiler is not big enough to meet it. Plants might be able to add scrubbers for an increased cost for to meet the CO standard, but not the particulate standard. The particulate and CO limits fight each other. There is no

known biomass boiler of any size that can meet both limits at the same time. The standards are different for coal or oil.

Existing boilers must have a tune-up every two years, a one-time assessment, and annual stack testing. New boilers need an annual CO stack test and a test every three years for particulates. Testing must be done by a certified technician with certified equipment. A stack test in rural Alaska would cost \$16,000; current maintenance costs \$500 to \$4000 for existing boilers. This could halt biomass heating development in Alaska. It significantly drops the scores for small biomass systems in economic analyses. Plentovich doesn't know how it impacts diesel systems.

These emissions standards are applicable to large urban systems even in Alaska, but not to rural Alaska. Nichols commented that it is ironic that it was caused by Sierra Club which wants us to get off oil. Plentovich said that it will likely result in people keeping old systems running longer rather than replacing them with newer, more efficient models.

Edgren noted that the school district already has certified technicians, the new requirements may just add to their training needs. Plentovich observed that it also requires specific new equipment that costs about \$20,000.

AEA and the Wood Energy Development Working Group put together comments to EPA, and have requested more time to develop an alternative implementation plan that would exempt rural Alaska from stack testing. EPA may be receptive to that idea, but the December 2010 deadline for implementation is challenging. EPA previously granted an exemption for rural generators. Plentovich is confident that EPA will grant something that won't kill biomass development in rural Alaska. The new rules don't apply to residential biomass currently, but Plentovich isn't certain of the definition for multi-residential facilities.

Maisch added that the National Association of State Foresters also commented on the rules. He will send a copy of their comments to Plentovich and the Board.

Nichols asked at what point people say "we can't meet it." Plentovich replied that manufacturers are saying that now, including Garn who produces the best equipment available. Nichols stated that this is an example of why more and more jobs are going overseas.

Maisch said the Board might want to consider a letter on this topic in the future. Plentovich said that the comment period is now closed, but AEA may need Board support as the process continues.

#### **Public comment.**

Senator John Coghill noted the budget issues that had been raised before the Board, including thinning needs, and the changing federal funding sources. He said that these issues weren't well understood from Finance Committee meetings. The message hasn't gotten through – the Division only has 10 minutes to present its budget, and it will get harder with the shorter legislative session. From a legislator's perspective, he referred back to 2001, when Alaska bounced off \$8/barrel oil. The impacts of low oil prices included putting park operations out to bid. The sustainability of the state budget has been a discussion for many years. Formula-funded programs demand a lot and push other issues to the side. Forestry is not on the top of the priority list. That is part of the natural resource management problem in Alaska – we have a mandate to manage the land, but it doesn't always make the priority list. Climate change issues and possible cap-and-trade policies are also things the legislature wants to deal with. Sen. Coghill didn't know before about forest planning issues and needs. The annual funding trajectory for forestry is something the legislature isn't totally aware of. Legislative turnover also is high – some years it is as high as 35%, which reduces historical knowledge. If a term limit passes, it will further the

problems and more issues will be made in a vacuum. The agencies need to make sure the legislature knows the issues around funding sources. Present the budget as a cooperative effort and not an end run. He appreciates the work of the board and agencies, and thanked the Board for the chance to listen in. He appreciated the comments from fishery people. Hiring issues will apply everywhere in both public and private sectors – it is hard to find people willing and able to carry on the jobs. Troopers are another example where there are hiring challenges. He explained that the legislature has to take a bundle of issues and requests and spread them out as strands before rebraiding them into a budget.

Nicolls stated that it was commendable for the Senator to come and sit quietly and learn. He would be interested in Senator Coghill's comments on the invasive species presentation. Nicolls added that he has been a Society of American Foresters (SAF) member for 50 years, and SAF sponsors a breakfast every two years after a new crop of legislators starts. The breakfast has had varying success. Is it useful? Senator Coghill replied that it is not useful if the purpose is to get legislators there, but if the purpose is to work through issues within SAF and have it open to legislators, then sure. Nicolls explained that the primary purpose was to make people aware of SAF's availability for information. Senator Coghill added that invasive species issues are at the top of the list for many in his district, which includes much of Palmer and Delta areas. It is important to separate bad invasive species from good non-native species. He wants to be sure that growing hay doesn't wind up spreading invasive species that will take over. Alaska starts from a relatively clean slate, but invites a lot of people to visit and problem species could arrive and move fast. Changing ballast water from tankers in Valdez is a big issue. Alaska needs to watch highways and practice good stewardship in agricultural areas. The legislature set up a system to deal with it in statute, but hasn't seen much back from it yet.

**State forestry and land planning update.** Jim Schwarber, DOF Forest Planner, works statewide. Current planning projects include:

- Acting as a liaison with the State Historic Preservation Office (SHPO) when working with Forest Land Use Plans. Schwarber facilitated training sessions between SHPO and DOF. SHPO drafted problematic regulations that would institute a new permit requirement. They produced a lot of agency concerns and were withdrawn; the regulation proposal is not moving ahead at this time.
- Assisting the Fire Program with proposed burn permit regulations. Draft regulations are currently under review at the Attorney General's Office.
- Coordinating responses to federal planning processes.
- Helping revamp web pages for the Forest Resources Program. There is a link to the Board that lists members. Let Schwarber know if there's any other information to put on the BOF link.
- Coordinating DOF work on the Mat-Su Area Plan. Representative Neuman communicated concerns about citizens' interest in a more detailed transportation plan within the area plan. The area plan is a more general document. The final Mat-Su Area Plan is in the Commissioner's Office for signature. DNR expects adoption soon, followed by a period for requests for reconsideration. The area plan designates 700,000 acres for forest management, requires development of a forest management plan for that area, and recommends establishment of a State Forest in the Susitna valley. DOF wants to get the forest management plan completed before presenting a legislative proposal. The potential pool of State Forest land is about 800,000 acres, including land in the Southeast Susitna Area Plan.
- Working with CRO to develop a Southeast State Forest Management Plan.
- Facilitating the annual pre-season trail users meeting in Susitna Area to exchange information on logging roads and winter trail use, and minimize negative trail interactions. This effort has worked well for both mushers and loggers.
- Coordinating DOF input to the Tanana Basin Area Plan, now being revised in two subregions (Eastern Tanana and Yukon-Tanana).
- Meeting with the DOF Tok Area and the Division of Mining, Land, and Water (DMLW) to explore DOF interest in timber, biomass, and fuel reduction, and how that can better be integrated into the

DMLW land sale program in the Tok area. The session was well-attended and productive. The agencies followed up with a field trip to Tok for the DMLW land disposal staff.

Bosworth carried a packet from an individual aware that DOF is considering parcels that were in the University land settlement for possible inclusion in the SESF. He read AS 41.17.210 re state forests and required reports, and requested including the required information in the DOF parcel review. Schwarber noted that inventory and consideration of non-timber uses are required in a State Forest management plan.

Nichols observed that SESF parcels are scattered within USFS land. He asked whether the plan will consider coordinating what is happening on state and federal land, e.g., to benefit transportation and logistics. Schwarber said that he expects the SESF management plan will include coordination with adjacent land owners. Curran added that DOF is already doing a better job of coordinating timber sale offerings with the USFS. He wants to do that with the SESF also – the purpose is for long-term management. Maisch reported that language in the proposed federal budget would expand “Good Neighbor authority” to allow joint projects on adjacent federal-state lands and streamline procedures.

Cronin asked whether Schwarber will work on future TLMP comments. Curran replied that Clarence Clark in the CRO is assigned to that task. Maisch added that DOF also participates through the State Tongass Team.

Maisch reported that DOF’s interest in establishing additional State Forests continues, and the Division is working to vet the idea through the local area. Schwarber added that DOF has been hearing general support for a Susitna State Forest through public meetings on the Mat-Su Area Plan. There’s a strong desire for local forest operations. Maisch said that DOF wants to establish opportunities for long-term forest management before they are lost. The Mat-Su Area is the primary area where forest fragmentation is a major concern in Alaska. There may also be State Forest potential in the Glennallen area. Schwarber commented that DOF is moving toward a State Forest system. The SESF was the first new forest added to the system in 25 years.

**Statewide Assessment and Strategy for cooperative forestry programs.** Maisch noted that the USFS approved Alaska’s Statewide Assessment. Thanks go to Rick Rogers and the cooperative forestry staff for good work getting it done in a short timeframe.

Rogers reported copies were mailed to the Board and posted on the web. DOF made some changes to the Assessment after the March BOF meeting in response to comments from the Board. Completion of an assessment was a requirement to participate in continued funding for USFS State & Private Forestry (S&PF) programs. Alaska received about \$3 million annually for these programs. He noted that the Department of Labor is going to do a report on forest trends including non-federal lands in Alaska Economic Trends report. The Assessment will give people a broader perspective on forestry in Alaska – the audience goes beyond just the USFS.

The next question is how the USFS will use the assessments. They now have assessments from the 50 states plus territories. The states’ priorities may not align with national priorities. Annual competitive grants are one component of the S&PF program. DOF is considering applying for a grant for the southeast effectiveness monitoring program. The Division will be able to tie that back to the Assessment. The Assessment also highlights the old-growth to young-growth transition and the revenue gap that exists before a transition is fully feasible.

Maisch reported that there is an effort underway by the Council of Western State Foresters (CWSF) and USFS to roll-up the state assessments to take a national look at themes important to the states. The CWSF hired a contractor to do that with the western assessments. There were general guidelines and



required themes for the assessments, but there's a lot of variety between the products. At present, 15% of the S&PF grant funding is competitively allocated. NASF wants to keep at least base programs in all states, so Maisch doesn't expect the percentage of competitive funding to increase. The states need to get away from multiple, separate S&PF programs. A lot of focus is on restoration and forest health issues across the country.

Paul Brewster, USFS, said that he read the state's Assessment. One clear message was the gap in data, especially with respect to USFS forest inventory analysis in the Interior. He is glad it was there, but doesn't know what will happen to that request. Maisch noted that all but two other states have full forest inventory and analysis coverage. New appropriations will be difficult at both federal and state levels. Sue Willits, USFS, added that the Forest Service plans for Alaskan inventory every year. NASF has been very supportive about getting federal inventory in all 50 states, but sufficient funding is not yet forthcoming.

Nicolls asked whether state assessments will be compiled into a national assessment. Maisch replied that all the states did their assessments differently, but the CWSF is seeing whether there's a way to roll up the information to be able to communicate western needs effectively, and state foresters would also like to do it nationally. Willits commented that the USFS does an assessment under the Resource Planning Act every five years on all forestland, but that doesn't address issues in individual states. Rogers added that there is some discussion nationally on how the assessment feed into priorities for restoration work in the National Forests. Maisch noted that the states included a lot of info on National Forests in the assessments, but the National Forest System part of the USFS was not very involved in developing the assessments. Rogers said Alaska is probably in good shape – National Forest managed lands are covered, and the issues are framed broadly.

Maisch reported that Alaska hasn't been very successful getting in competitive grants for S&PF projects. Alaska hasn't gotten as much S&PF funding back as it lost when competitive grant funds were taken off the top of the prior formula allocation. DOF will have internal peer group reviews for grant applications this year to try to strengthen the proposals. Some of the point system for scoring applications favored Lower 48 states – some criteria were hard to meet for Alaska. That scoring problem has been fixed. Rogers noted that Alaska still has challenges in the grant competition. The Western Forest Leadership Coalition has different scoring than other regions – there is a higher emphasis on matching funds and partners. For example, a proposal to assist Galena wouldn't be able to garner a lot of matching money or a large number of partners, even though it would be a beneficial project. DOF continues to try to communicate Alaska's situation. NASF has three regions – the Western Forest Leadership Coalition, Northeast, and Southern regions. The Northeast and Southern regions run their grant programs somewhat differently than the western region.

Wolfe said that he worked with Jeff Graham (DOF) and Rogers on this process. It will be helpful to have people who have done grant reviews look at the proposals before they are submitted. Maisch noted that Tom Kurth, DOF Fire and Aviation Program Manager, is also on the ranking committee this year. Wolfe suggested that it might be useful to have Graham volunteer as a reviewer on this or another competitive grant process to gain perspective. Maisch noted that the state assessments and strategies will be updated periodically.

**FRPA standards re landslides and mass wasting.** Freeman reported that the Science & Technical Committee that has been formed to review the FRPA mass wasting best management practices (BMPs) will convene on September 2, 2010 in Juneau. The handouts include the list of S&TC members. This is the same group that worked on the scoping phase, with the addition of Bert Burkhart from Columbia Helicopters to provide expertise on helicopter systems. The handout on organization and operations describes the S&TC approach, which is the same used for prior science and technical committees. It will

operate as a working group, focused on the issue of mass wasting BMPs. Meetings are open to the public, and DOF recently sent a letter to the mailing list announcing the process. Freeman will also send copies of the minutes from all meetings to the public mailing list. Currently, 74 agencies, Native corporations, local governments, organizations, and individuals are on the list, including the Board members. Freeman is glad to add others who may be interested.

The Board handouts also include a copy of the updated white paper on landslides. It summarizes the work to date, the Board's charge to the S&TC, and existing mass wasting standards in Alaska and other west coast states and provinces.

Nichols asked how long the process would take. Freeman said she expected to have recommendations to the Board for the spring meeting. The S&TC is not starting from zero – they will review the existing regulations, the scoping committee developed draft definitions, and this group has a narrower scope than prior science and technical committees.

Wolfe asked whether the Mental Health Trust is continuing with its land exchange plans. Slenkamp affirmed that the Trust is actively pursuing the exchange. Wolfe recognized that exchanges take time. He asked whether the subject lands in the Mitkof Homeowners area that created concerns are all in the exchange area. Slenkamp replied that the Trust is doing a strategic analysis of the parcels. There's an 80-acre area that is still being reviewed, but looks like it has better potential for development purposes. It's a small amount in the large scheme of things, but the Trust recognizes that it has a large effect for the Mitkof homeowners. He noted that the landslide risk issue could also be dealt with by Petersburg as a local zoning issue. Wolfe said that he was at a Petersburg Council meeting when a resident spoke about their concerns. Slenkamp noted that there are similar lands that have not had landslide problems, however. Wolfe remains interested in the problem area at Mitkof that started this process – if there's another solution there it would provide relief for everybody.

Ed Wood, Mitkof Highway Homeowners Association, asked whether the forest practices BMPs are regulations or guidelines. Freeman said that in Alaska the BMPs are adopted by regulation. Maisch noted that Pamalyn Duvall from Representative Wilson's office contacted DOF for examples of other local ordinance examples that affect forestry.

**Revisiting suggestion to send GO letter to Jensen and USDA.** Bosworth stated that more consideration is needed on the recommendation to send the Board's letter to the Governor to Harris Sherman and Jay Jensen at USDA. The Board's letter to the Governor wasn't written with that purpose in mind. He wants any such letter to be helpful, and wants to make sure that the proposed action would make sense. What is the intended message? Maisch said that the Board's letter speaks to the State's role as an official cooperating agency. Bosworth added that the letter includes some hot buttons – we should be sure we know what we're doing. It includes statements critical of the USFS – is that what we want to do for an agency we need to work with?

Vinsel agreed with Bosworth's comment, and pointed out the statement that the Tongass National Forest's "continuing failure" to sell sufficient timber is the biggest problem with the timber industry in southeast Alaska. The Board hasn't seen the letters from the Governor to the USDA. If the Governor used less judgmental language, that might be appropriate. Maisch agreed that the Board needs to see the Governor's letters to USDA. There are strong statements on a number of topics.

Nichols commented that this is a board with broad interests, and he highly encouraged sending the Board's letter on along with a message highlighting who the Board represents. He sees the Tongass Futures Roundtable as a failure, whereas the Board has many perspectives but has been able to work

through issues. There are stronger statements from other entities about the USFS – they’ve heard much worse than that.

Cronin said that if the statement is true, stating it bluntly is perfectly appropriate. Bosworth said that the Board needs to consider the audience and make sure the message fits the audience. He doesn’t want to use the letter for a purpose other than what was intended.

Vinsel observed that the letter includes other items that are not pertinent to the USFS. He would put the pertinent information in a separate letter to the USDA. Take out the section on the ANCSA bill – that’s in Congress, not USDA.

Cronin said the letter includes a general overview of southeast timber issues for the Governor. Vinsel reiterated that some of the issues are not under decision-making authority of the USDA. The TLMP and Roadless Rule are in their jurisdiction. Wolfe noted that the letter would go to the USDA, not just USFS. Vinsel said the Board should keep the letter to those things in the USDA out of respect for the people receiving it who have a lot to address. Wolfe replied that all of section on southeast Alaska issues involves interaction with the USFS. The Board could put it in the context of “This is our standard report to the Governor,” then highlight the section on southeast Alaska and interaction with USFS starting on page 3. Another way would be to craft a letter specifically to Undersecretary Sherman, but a cover letter for the Board’s letter to the Governor would be quicker. Undersecretary Sherman was just here on a site visit, and he wants to get this out on the heels of his trip. The Board could either send with the existing letter with the southeast section highlighted, or excerpt that section and include it in a new letter. Attachments would not be sent unless requested.

Bosworth said that he learned more about what is happening in Tongass from Streuli today. Bosworth commented that he’d been considering the question of TLMP implementation and based on what Streuli said today, he’s moved on. Nichols asked Streuli whether he would say that the USFS is fully implementing TLMP as signed. Streuli said the USFS has gone through the process to get to wood out, but the sales have gone to litigation, which has millions of board feet tied up. If offering 267 MMBF of timber annually is the definition of “fully” then no – the USFS doesn’t have the budget for that. Nichols said the bigger concern is Washington, D.C. decision-makers like [USDA Secretary] Vilsack who hijacked the process and stated that the USFS will get away from timber sales. He doesn’t want anything in roadless areas. Streuli agreed that there are issues at the Administration level. That’s the level you need to look at – the issues are above the regional office. The Tongass National Forest has implemented that plan to the best of its ability. The best examples are things like the Stanley Creek cooperative plan. The ability to operate at the 267 MMBF level is a political decision. Nichols is concerned that high levels of the USFS have said that timber is not part of the agency’s future.

Nicolls said that if we want to convey parts of the letter, it would be inappropriate to pick out just parts and send them on out of context. We can focus the communication in a cover letter. If it smarts a little, that’s OK. This is the straight stuff.

Foley asked Bosworth how he views the message. Bosworth said the central theme he got from the Board’s letter was the failure of TLMP.

Wolfe said that the report communicates at a policy level broader than TLMP. It’s not an attack on the USFS; it’s an attack on the system and some broader issues. The need for it to go to the undersecretary is because the southeast economy is on a dangerous precipice and the USDA is a major player. They need to hear that. We’ve expressed that in a report to the Governor. We need to communicate that to USDA with a cover letter to set the context and express the urgency.

Bosworth asked what the Board would think of writing a new letter. Cronin said that's fine if appropriate. McLarnon suggested a new letter using some of the same material with added context. Wolfe replied that it doesn't seem appropriate to do that. Part of our ability to communicate this is that it is part of a Board report to the Governor. He prefaced his comment with a statement that the request may go above the State Forester's authority. There is merit in it being from the Board's standard report. The letter could be either from State Forester or Board. He understands that the State Forester may not be able to do that, depending on the Governor's direction. Cronin noted that the Board doesn't really have this purview. Wolfe agreed, and said that sending the letter would be subject to policy clearance from the Governor's Office. Nichols commented that the Governor's letter presents a strong case. The Board should not create a whole new document, but show what the Board has said – the Undersecretary should be copied on that.

Maisch observed that he and the Board all report to the Governor in policy matters. He would check with the Governor before communicating to the undersecretary. Maisch said he would be most comfortable just forwarding the Board's report with a cover letter to provide context for who the Board is. He doesn't see anything in the Board's report that is out of line with the Governor's position. If the Governor disagrees, that is where it would remain. There is some value in showing that the Board has spent a lot of time on this even though outside its purview.

Wolfe moved and Bosworth seconded the following resolution:

- **That Maisch draft a transmittal letter to Undersecretary Sherman and his deputy with an explanation of who the Board of Forestry is, and what their charge is, and attach a copy of the May 2010 report on FRPA. The letter will reference the specific parts of the report starting on page 3 that address southeast Alaska timber issues, and should include a comment on the amount of time the Board has spent on Tongass National Forest and southeast Alaska issues beyond their purview. The Board understands that the letter would be cleared through the Governor and only forwarded with the Governor's concurrence.**

Bosworth commented that he believes the internal discussion was more important than the letter.

Brewster said that he previously held one of the regional positions, and this won't be a surprise – the report reinforces what the USFS has heard from other entities like the congressional delegation and the Southeast Conference. What's unique about this is the composition of the Board.

Nicolls asked whether the transmittal letter should refer to any other sections. Wolfe said the rest of the letter should speak for itself. Stay focused on this issue.

- **The Board approved the motion by consensus.**

## **New Business II**

**Next meeting location, date, and agenda.** The fall Board meeting will be **December 13-14, 2010**, in Anchorage.

Nicolls suggested that DOF regional reports include a description of the state of the local industry

Freeman suggested including updates on the cooperative forestry programs, and the outcome of the competitive grant submittals.

Wolfe asked for an item on forest roads and NPDES permitting with Kevin Saxby

Cronin asked for a follow-up on the invasive species issue, and noted that Anchorage Soil and Water Conservation District is confused on whether a problem really exists.

Bosworth requested a lumber grading explanation. Maisch said that's a timely issue. Curran suggested contacting Kevin Curtis or Dave Nichols.

#### December meeting agenda items

- 2011 agency budgets
- 2011 legislation, including SESF
- Climate change and carbon credit update
- Forest planning update, include Mat-Su planning and state forest process
- DOF region updates, including the status of the local industry
- FRPA Landslides committee and implementation group update
- Tongass Land Management Plan implementation and Tongass Futures Roundtable updates
- Wood energy updates, including biomass boiler standards and effect on rural energy grants
- Purview of Board
- Update on NRCS forest-related programs with Bob Jones, State Conservationist
- Updates on national legislation, e.g., retooling bill for SE, biomass bills
- Invasive species follow-up
- Lumber grading explanation
- Cooperative forestry programs
- NPDES permitting and forest roads – update with Kevin Saxby

**Board comments.** Wolfe stated that the challenges facing the industry, especially in southeast Alaska, remain great. The Board needs to keep thinking long term about the health of forestry.

Bosworth appreciated being in Tok. People here deserve a visit on a regular basis. It's different out here.

McLarnon thanked everyone hosting the Board in Delta and Tok, the pellet mills, and staff who prepared the trip and Board packets. In her new position she is interested in finding ways to cooperate and help map trails and improve recreation information.

Vinsel appreciated the field trips and the opportunity to learn about wood energy, and the range of issues. He especially thanked Senator Coghill for participating, even though it was primary day.

Foley thanked everyone for making the meeting informative and enjoyable, and thanked Senator Coghill for the effort to be here.

Nicolls also thanked Senator Coghill. Thanks to Freeman for a super job getting the meeting ready. It is good to come out in the field and see forestry, and it was a well-run meeting.

Cronin thanked Senator Coghill, and said he was impressed with the Division staff in the fire program, working with small mills, and doing a lot with very little. He appreciated the USFS coming and recognized the predicament of taking orders from Washington, D.C. and having the grace to do it. The burden of being under lawsuit is often not recognized. Thank you for your service.

Nichols appreciated seeing what's going on in the interior -- there are a lot of good things going on. The discussion to reach consensus on the last issue was good – a lot of organizations could learn from it. The Board underestimates the power it could have. It may be good to look at what Board is charged with,

including policy issues at the state and federal level. The ability to hear a consensus from a broad group is valuable. He agrees that it's hard for USFS staff to get beaten up for things they don't control at the local level – it's not personal. We've seen every southeast Alaska community but Juneau loses population. He knows that USFS employees live in the region and they see it too. It's good for this group to speak out at times on the state and national level.

Maisch said that this is a good Board to work with, and the time and energy spent by members is appreciated by the agencies. It's a good organization to be part of. The Board helps DOF accomplish things like the Southeast State Forest -- Board help was essential there. It is good to be out seeing where things happen.

**Tok Area Office.** Jeff Hermanns, DOF Tok Area Forester provided an overview of forestry activities in the Tok Area and 2010 wildfires. Hermanns has been the Tok Area Forester for four years, and previously worked for the USFS, Ketchikan Pulp Company, and the University of Alaska at Icy Bay. He explained that fire management is #1 in Tok – this is a fire ecosystem. Over two million acres has burned in the Tok Area since the state took over fire suppression in 1984.

Lightning started the Eagle Fire on May 25, 2010 in very dry conditions prior to green-up. The current cost of the Eagle Fire is just under \$14 million, of which 62% is the responsibility of the state. The fire started on Tanacross land and blew on to the TVSF. This was a very hazardous fire, but no structures were lost, thanks to the combination of suppression efforts, fortunate wind direction, and eventually 10" of rain.

The fire occurred at the same time the Tok DOF was presenting the Tok Fire Academy, training 42 students for three weeks so that local people can fight fires rather than flying them up expensively. Thirty-eight students graduated – an excellent rate. Trained firefighters are also a great source of people to do fuel reduction projects. The state has never funded fuel reduction projects, but pays millions of dollars to suppress a fire like the Eagle Fire. Biomass from the reduction projects can also be used to heat the Tok School. Shaded fuel breaks allowed firefighters to keep the fire away from Tanacross by setting up sprinklers to control spotting. We can do these types of proactive projects. Fuel reduction is about 1/20 the cost of fire suppression.

**Adjourn Day 2:** The meeting was adjourned at 5:30.

**Field Tour Part 2:** Tok Area Office facilities

**Wednesday, August 25, 2010**

**Field Tour Part 3:** Tok School, Red Fox burn, Tanacross fuel breaks, Pump Fire, Eagle Fire

#### Handouts

- Draft Agenda
- Public notice
- Draft minutes of March 2010 Board of Forestry meeting
- Alaska Board of Forestry 2009 annual report to the Governor, May 19, 2010
- Charts on trends in FRPA funding, FY94-Projected FY12
- Board of Forestry report to the legislature, Forest Practices Act implementation and funding, January, 1998
- DNR Division of Forestry Forest Practices Act funding, February 14, 2003

- Landslide Science & Technical Committee Contact List
- FRPA Landslide Issues Review Phase 2 Science & Technical Committee organization and operations
- White paper on landslides and the Alaska FRPA, May 2010
- FY 11 FRPA work outline – priority tasks by agency, August 2010
- E-mail from Judy Bockmon, Asst. Attorney General re proposed ethics regulation changes
- Supplemental notice of proposed changes in the regulations of the Department of Law
- Draft changes to 9 AAC 52 (ethics regulations)
- U.S. 9<sup>th</sup> Circuit Court of Appeal decision in Northwest Environmental Defense Center vs. Marvin Brown, Oregon State Forester, Oregon Board of Forestry, et al. (NEDC v. Brown), August 17, 2010
- US Loggers lose an important EPA exemption, Jeffrey J. Miller and Robert A. Maynard, Perkins Coie
- Selected invasive plants of Alaska
- Defending favorite places – How hunters and anglers can stop the spread of invasive species
- Forest health conditions in Alaska 2009
- Fly fishers serving as transports for noxious little invaders
- Invasive plants in container-grown ornamentals
- Willow leafblotch miner leaflet
- Pest-alert /r10-PR-002 – New pest in Alaska and Washington – The Green Alder Sawfly
- Sealaska folder
  - Sealaska Haa Aani land legislation vision information packet contents for distribution and posting on Sealaska website
  - Sealaska proposed revisions to S. 881, the “Sealaska Bill”
  - S. 881 Sealaska Land Finalization and Entitlement Act status summary July 16, 2010
  - Executive summary July 2010 amendments, Southeast Alaska Native Land Entitlement Finalization Act S. 881, 111<sup>th</sup> Congress
  - Draft amendment in the nature of a substitute to S. 881 offered by Ms. Murkowski of Alaska, 8/18/2010
  - Maps: S 881, Attachments A through F, June 30, 2010
  - Map: Economic Development Land Pool – parcels given up from consideration
  - Map: Haa Aani Native Futures Sites, June 30, 2010
  - Sealaska Corporation – Who we are
  - Sealaska Haa Aani Land Legislation support
  - Haa Aani FAQ, July 2010
  - Overview of Sealaska land and stewardship
  - Discussion draft – Native futures sites, November 28, 2008, amended February 2010.
  - Memorandum of Agreement between [Tribe] and Sealaska Corporation for tribal and Sealaska collaborative management of “Sacred Sites”, discussion draft, 2010
  - How aggressive is Sealaska’s even age harvest?
  - Tlingit, Haida, Tsimshian traditional lands in SE Alaska 21,300,000 acres
  - 17(b) easements and 14(g) permits and rights and S881/HR2099
  - Sealaska Natural Resources Department
- Gilles Creek Fire folder
  - Map of fire
  - Forest Land Use Plan, Gilles Creek Fire Salvage NC-1472-D, ADL 418935, July 5, 2010
- Board of Forestry field tours – schedule and attendees

#### Attendance

Paul Brewster, USFS

Ron Brown, AIDEA

Sen. John Coghill, Alaska Senate

Mike Curran, DOF, speaker  
Mark Eliot, DOF, speaker  
Marty Freeman, DOF, speaker  
Kevin Hanley, DEC  
Doug Hanson, DOF, speaker  
Dave Harris, USFS, by teleconference  
Kerry Howard, ADF&G, speaker, by teleconference (Tues. only)  
Patricia Joyner, DOF (Wed. only)  
Kyle Moselle, ADF&G, speaker  
Devany Plentovich, AEA  
Rick Rogers, DOF, speaker  
Jim Schwarber, DOF, speaker  
Paul Slenkamp, AMHT  
Nancy Sonafrank, DEC  
Charley Streuli, USFS  
Sue Willits, USFS  
Ed Wood, Mitkof Highway Homeowners Association (by teleconference)  
Trish Wurtz, USFS, speaker